

AMENDED IN ASSEMBLY APRIL 26, 2007

AMENDED IN ASSEMBLY APRIL 16, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1525

**Introduced by Assembly Member Cook
(Coauthor: Assembly Member Portantino)**

February 23, 2007

An act relating to private postsecondary education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1525, as amended, Cook. Private postsecondary education.

(1) The Private Postsecondary and Vocational Education Reform Act of 1989 generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs. Existing law requires the bureau, among other things, to review and investigate all institutions, programs, and courses of instruction approved under the act.

The act establishes the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund. The act specifies that certain violations of its provisions are subject to civil penalties and that certain willful violations of the act are punishable as crimes. A provision of the act

provides for it to become inoperative on July 1, 2007, and provides for its repeal on January 1, 2008.

The bill would express the intent of the Legislature to provide for the protection of the interests of students who, and institutions which, have pending matters, or any other pending business, before the bureau as of June 30, 2007.

The bill would require that each matter, as defined, pending before the bureau as of the close of business on June 30, 2007, be deemed to remain pending before the bureau or a successor agency as of ~~January~~ *February* 1, 2008, irrespective of any applicable deadlines. With respect to any deadline applicable to a pending matter, the bill would require that no time be deemed to have elapsed between July 1, 2007, and ~~December 31, 2007~~ *January 31, 2008, inclusive*. The bill would require that any institution, program, or course of study that is approved by the bureau as of the close of business on June 30, 2007, be deemed to be approved as of ~~January~~ *February* 1, 2008, irrespective of any applicable conditions, deadlines, or additional requirements. The bill would also require that, with respect to any deadline applicable to the approval or conditional approval of an institution, program, or course of study, no time shall be deemed to have elapsed between July 1, 2007, and ~~December 31, 2007~~ *January 31, 2008, inclusive*. The bill would authorize the Director of Consumer Affairs to enter into voluntary contracts with institutions for compliance with statutes, rules, and regulations applicable to these institutions as of June 30, 2007.

The bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund, thereby making an appropriation.

These provisions would be repealed on ~~January~~ *February* 1, 2008.

(2) The bill would authorize the approval of private postsecondary institutions for specified purposes until July 1, 2008.

(3) The bill would become operative only if SB 823 is chaptered before July 1, 2007.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature to provide,
2 through the enactment of subdivision (b), for the protection of the
3 interests of students and institutions having any matter pending
4 before the Bureau for Private Postsecondary and Vocational
5 Education as of June 30, 2007. The Legislature further encourages
6 the Department of Consumer Affairs to provide information to
7 students and institutions during this time period to ensure their
8 understanding of their rights and responsibilities effective ~~January~~
9 *February 1, 2008*, and that student complaints received during this
10 time period continue to be duly recorded and, to the extent
11 practicable, investigated, so that no Californian is harmed by the
12 delay in the provision of full services.

13 (b) Notwithstanding any other provision of law:

14 (1) Each matter pending before the Bureau for Private
15 Postsecondary and Vocational Education as of the close of business
16 on June 30, 2007, shall be deemed to remain pending before the
17 bureau or a successor agency as of ~~January~~ *February 1, 2008*,
18 irrespective of any applicable deadlines. With respect to any
19 deadline applicable to a pending matter, no time shall be deemed
20 to have elapsed between July 1, 2007, and ~~December 31, 2007~~
21 *January 31, 2008, inclusive*. For the purposes of this paragraph,
22 “matter” includes, but is not necessarily limited to, an appeal, a
23 complaint, an evaluation, a hearing, a Student Tuition Recovery
24 Fund claim, or an investigation.

25 (2) Any institution, program, or course of study that is approved
26 by the bureau as of the close of business on June 30, 2007, shall
27 be deemed to be approved as of ~~January~~ *February 1, 2008*,
28 irrespective of any applicable conditions, deadlines, or additional
29 requirements. With respect to any deadline applicable to the
30 approval, renewal of approval, or conditional approval of an
31 institution, program, or course of study, no time shall be deemed
32 to have elapsed between July 1, 2007, and ~~December 31, 2007~~
33 *January 31, 2008, inclusive*.

34 (3) From July 1, 2007, to ~~December 31, 2007~~ *January 31, 2008*,
35 inclusive, the Director of Consumer Affairs may enter into
36 voluntary contracts with institutions to comply with statutes, rules,
37 and regulations pertaining to private postsecondary institutions in
38 effect as of the close of business on June 30, 2007, that had a valid

1 approval to operate as of the close of business on June 30, 2007,
2 for the purpose of ensuring continued student protection after
3 Chapter 7 (commencing with Section 94700) of Part 59 of Division
4 10 of Title 3 of the Education Code, as it exists on June 30, 2007,
5 becomes inoperative.

6 (4) From July 1, 2007, to ~~December 31, 2007~~ *January 31, 2008*,
7 inclusive, the Director of Consumer Affairs shall administer the
8 Student Tuition Recovery Fund.

9 SEC. 2. (a) The Private Postsecondary and Vocational
10 Education Administration Fund is continued in existence under
11 the administration of the Department of Consumer Affairs.

12 (b) (1) The Student Tuition Recovery Fund is continued in
13 existence under the administration of the Department of Consumer
14 Affairs.

15 (2) The moneys in the Student Tuition Recovery Fund are
16 continuously appropriated, without regard to fiscal years, to the
17 Director of Consumer Affairs for the purpose of paying claims
18 that had been filed with, and approved by, the former Bureau for
19 Private Postsecondary and Vocational Education prior to July 1,
20 2007, under the provisions of Chapter 7 (commencing with Section
21 94700) of Part 59 of Division 10 of Title 3 of the Education Code,
22 as it exists on June 30, 2007.

23 (3) *If, for any reason, between July 1, 2007 and January 31,*
24 *2008, inclusive, an institution is not liable for payments to the*
25 *Student Tuition Recovery Fund, that institution shall not collect*
26 *moneys from students for purposes of payments to that fund.*

27 (4) *It is the intent of the Legislature that, to the extent possible,*
28 *the Department of Consumer Affairs shall pay claims found to be*
29 *owed to students from the Student Tuition Recovery Fund between*
30 *July 1, 2007, and January 31, 2008, inclusive.*

31 SEC. 3. (a) It is the intent of the Legislature to provide
32 institutions with ~~a one~~ legal method by which they may comply
33 with applicable federal statutes, rules, and regulations from July
34 1, 2007, to ~~December 31, 2007~~ *January 31, 2008*, inclusive, and
35 to affirm for the United States Department of Education that
36 voluntary contracts, as referenced in paragraph (3) of subdivision
37 (b) of Section 1 of this act, demonstrate the legal authorization to
38 operate of schools under California law from July 1, 2007, to
39 ~~December 31, 2007~~ *January 31, 2008*, inclusive.

(b) From close of business on June 30, 2007, inclusive, until close of business on ~~December 31, 2007~~ *January 31, 2008*, wherever in law there is a reference to an institution “approved by the Bureau for Private Postsecondary and Vocational Education,” this shall mean any school that has entered into, and is complying with, a voluntary contract under paragraph (3) of subdivision (b) of Section 1 of this act.

(c) From ~~the July 1, 2007, to December 31, 2007~~ *July 1, 2007, to January 31, 2008*, inclusive, any institution approved by the Bureau of Private Postsecondary and Vocational Education as of the close of business on June 30, 2007, shall disclose to all prospective and current students, to the United States Department of Education, and to any other interested parties whether it is legally authorized by the State of California. ~~Only those schools that have entered into a voluntary contract under paragraph (3) of subdivision (b) of Section 1 of this act may claim to be authorized by the State of California.~~

SEC. 4. (a) For purposes of this section, “act” means the Private Postsecondary and Vocational Education Reform Act of 1989 (Chapter 7 (commencing with Section 94700) of Part 59 of Division 10 of Title 3 of the Education Code), as it exists on June 30, 2007.

(b) The rights and obligations established by the act on or before June 30, 2007, shall be determined by the law in effect on or before June 30, 2007, and any claim or cause of action in any manner based on the act that arose on or before June 30, 2007, whether or not reduced to a final judgment, shall be preserved, and shall remain subject to the provisions of the act in effect on or before June 30, 2007, notwithstanding the inoperative status or repeal of the act on or after July 1, 2007.

SEC. 5. *Wherever in this act there is a provision related to a voluntary contract, that provision shall be applicable only if the Department of Consumer Affairs has proposed and tendered that voluntary contract as permitted by this act.*

~~SEC. 5.~~

SEC. 6. It is the intent of the Legislature that the Department of Consumer Affairs shall continue to provide all applicable rights and protections of civil service to its employees.

1 ~~SEC. 6.~~

2 SEC. 7. The provisions of this act are severable. If any
3 provision of this act or its application is held invalid, that invalidity
4 shall not affect other provisions or applications that can be given
5 effect without the invalid provision or application.

6 ~~SEC. 7. Private postsecondary educational institutions that~~

7 SEC. 8. *Private postsecondary institutions, and instructors*
8 *holding valid certificates of authorization, that* have approval to
9 operate from the Bureau for Private Postsecondary and Vocational
10 Education as of June 30, 2007, shall retain those approvals for
11 purposes of interpreting other provisions of applicable law that
12 refer or relate to the issuance of a license or registration and
13 meeting qualifications for licensing examinations. Those approvals
14 shall be effective through July 1, 2008, unless a later enacted statute
15 modifies, extends, or deletes that date.

16 ~~SEC. 8.~~

17 SEC. 9. This act shall only become operative if Senate Bill No.
18 823 is chaptered on or before July 1, 2007.

19 ~~SEC. 9. Sections 1 to 6~~

20 SEC. 10. *Sections 1 to 7, inclusive, of this act shall be repealed*
21 *on January 1, 2008 February 1, 2008, unless a later enacted*
22 *statute, that is enacted before February 1, 2008, deletes or extends*
23 *that date.*

24 ~~SEC. 10.~~

25 SEC. 11. This act is an urgency statute necessary for the
26 immediate preservation of the public peace, health, or safety within
27 the meaning of Article IV of the Constitution and shall go into
28 immediate effect. The facts constituting the necessity are:

29 In order to provide for the protection of the interests of students
30 and institutions having matters pending before the Bureau for
31 Private Postsecondary and Vocational Education as of June 30,
32 2007, it is necessary that this act take effect immediately.